During the year 2002-03 and 2003-04 targets were set by various State Level Bankers' Committees whereas target for the year 2004-05 was set by the Government of India under programme for doubling of credit flow to agriculture.

(b) As against the total requirement of Rs. 7,36,570 crore for credit flow to agriculture under Tenth Plan, the disbursement towards agriculture credit, including investment credit and production credit, is expected to be Rs. 5,97,850 crore thereby registering a shortfal of Rs. 1,38,720 crore. Keeping in view the above, the Government has taken several initiatives including announcemnent on 18th June, 2004 of its intention of doubling flow of credit to agriculture in the next three years, additioning a component for consumption under Kisan Credit Card, making loans upto Rs. 50,000/- collateral free, etc.

New reporting system for banks

1504. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India is in the process of prescribing new reporting system for banks for suspicious transactions or transactions of more than Rs. 10 lakhs;

(b) if so, whether the RBI is going to make it mandatory for banks to report to Financial Intelligence Unit of India on regular basis;

(c) what are the reasons for the proposed move;

(d) whether the RBI are considering to have a revised Ombudsman for banking sector; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Under the Prevention of Money Laudering Act (PMLA), 2002, banks are required to report certain types of transactions to Financial Intelligence Unit-India (FIU-IND). These include cash transactions of value more than Rs. 10 lakhs and all suspicious tansactions.

(d) and (e) The Banking ombudsman Scheme, 2002 has recently been revised by RBI in consultation with Government of India. The new Banking Ombudsman Scheme, 2006 has come into effect from January 1, 2006. The coverage of the scheme has been widened to include new grounds of complaints, such as:

(i) credit card complaints;

(ii) pension complaints;

(iii) complaints relating to failure in providing the promised facilities, including through the direct selling agents; and

(iv) complaints relating to non-adherence to fair practices code as adopted by individual banks.

Liquidity crisis in Banking Sector

1505. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Centre's surplus fund holding with RBI has touched almost Rs. 50,000 crores;

(b) whether the banking sector now reeling under a liquidity crunch is pressing hard for spending such surplus on projects to ease the liquidity crunch; and

(c) whether Government choose to hold on to the surplus funds to contain fiscal deficit and keep inflation at acceptable levels as per RBI directives?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The surplus cash balance of the Central Government had reached its peak at Rs. 53,609 crore on December 23, 2005. It has since declined to Rs. 36,355 crore as on February 28, 2006.

(b) Pressures on market liquidity are partly frictional, arising from seasonal and transient factors including the redemption of India Millennium Deposits (IMD), and partly cyclical, associated with the pick up in growth momentum and induced demand for bank credit.

(c) The fiscal deficit of the Central Government reflects the gap between the expenditure, net of repayments and non-debt capital receipts whereas the surplus cash balances of Central Government arise on account of interplay of different factors, including surplus cash balances of State Governments which are invested in 14 days intermediate treasury bills. The surplus cash balances have the effect of contracting the liquidity in the banking system. Central Government support to liquidity management of RBI is facilitated through the Market Stabilisation Scheme.